



Senate

General Assembly

File No. 62

January Session, 2013

Substitute Senate Bill No. 882

Senate, March 20, 2013

The Committee on Aging reported through SEN. AYALA, A. of the 23rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING ADDING THE PACE PROGRAM TO THE MEDICAID STATE PLAN.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 17b-428 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2013*):

3 (a) As used in this section:

4 (1) "Commissioner" means the Commissioner of Social Services;

5 (2) "Eligible individual" means "PACE program eligible individual",
6 as defined in Subtitle I of Public Law 105-33, as amended from time to
7 time, or in a [waiver application] Medicaid state plan amendment
8 approved by the United States Department of Health and Human
9 Services;

10 (3) "PACE program" means "PACE program", as defined in Subtitle
11 I of Public Law 105-33, as amended from time to time, and includes a
12 program of all-inclusive care for the elderly;

13 [(4) "PACE program agreement" means "PACE program
14 agreement", as defined in Subtitle I of Public Law 105-33, as amended
15 from time to time;]

16 [(5)] (4) "PACE provider" means "PACE provider", as defined in
17 Subtitle I of Public Law 105-33, as amended from time to time;

18 [(6)] (5) "Secretary" means the Secretary of the United States
19 Department of Health and Human Services or designated official
20 responsible for Medicaid state plan amendment approvals;

21 [(7)] (6) "State administering agency" means "state administering
22 agency", as defined in Subtitle I of Public Law 105-33, as amended
23 from time to time.

24 (b) Not later than [July 1, 1998] September 30, 2013, the
25 commissioner shall [establish a pilot program in which PACE
26 providers deliver] submit a Medicaid state plan amendment to add
27 PACE program services to [eligible individuals in this state pursuant
28 to a PACE program agreement. Under said program, the
29 commissioner, in consultation with the Insurance Commissioner, may
30 initially enter into contracts with integrated service networks which
31 have successfully completed a feasibility study, in conjunction with a
32 PACE technical assistance center, for the provision of PACE program
33 services] the Medicaid state plan.

34 (c) The Department of Social Services shall be the state
35 administering agency for the state of Connecticut responsible for
36 administering PACE program [agreements in this state. The
37 department, upon request, shall assist the secretary in establishing
38 procedures for entering into, extending and terminating PACE
39 program agreements for the operation of PACE programs by PACE
40 providers in this state] services. The department shall establish
41 participation criteria for eligible individuals and PACE providers.

42 [(d) The commissioner shall provide medical assistance under this
43 section for PACE program services to eligible individuals who are

44 eligible for medical assistance in this state and enrolled in a PACE
 45 program under a PACE program agreement. The commissioner shall
 46 seek any waiver from federal law necessary to permit federal
 47 participation for Medicaid expenditures for PACE programs in this
 48 state.]

49 [(e)] (d) [The commissioner may adopt regulations in accordance
 50 with chapter 54 to implement the provisions of this section.] The
 51 commissioner, pursuant to section 17b-10, may implement policies and
 52 procedures to administer the provisions of this section while in the
 53 process of adopting such policies and procedures as regulations,
 54 provided the commissioner prints notice of the intent to adopt the
 55 regulations in the Connecticut Law Journal not later than twenty days
 56 after the date of implementation. Such policies and procedures shall be
 57 valid until the time final regulations are adopted.

58 Sec. 2. Section 17b-28c of the general statutes is repealed. (*Effective*
 59 *July 1, 2014*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2013</i>	17b-428
Sec. 2	<i>July 1, 2014</i>	Repealer section

Statement of Legislative Commissioners:

Section 1(a)(4) was deleted and the remaining subdivisions in the subsection were renumbered for accuracy.

AGE *Joint Favorable Subst. -LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect
Department of Social Services	GF - See Below

Municipal Impact: None

Explanation

The bill requires the Department of Social Services (DSS) to add Program for All-Inclusive Care for the Elderly (PACE) services to the state Medicaid plan. PACE is a joint Medicaid / Medicare capitated managed care program intended to reduce institutional care among the elderly.

The impact of adding PACE to the state Medicaid plan is uncertain. The cost or savings would be dependent upon: 1) the cost of the capitated payments that DSS would have to establish; 2) the current cost of clients who choose to enroll in any PACE programs that are established; and 3) the number of such enrollees. In establishing a program intended to reduce expensive institutional care costs, it is likely that DSS would establish rates that would result in a net savings to the state for the individuals served.

DSS has several other initiatives intended to reduce Medicaid institutional care expenditures. It is not known whether enrolling a portion of Medicaid clients in the PACE model would reduce expenditures more or less than if the clients were enrolled in one of the other initiatives. Therefore, it is not known whether PACE would have a net positive or negative effect on overall state expenditures.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sSB 882*****AN ACT CONCERNING ADDING THE PACE PROGRAM TO THE MEDICAID STATE PLAN.*****SUMMARY:**

This bill requires the Department of Social Services (DSS) commissioner, by September 30, 2013, to submit a Medicaid state plan amendment to add federal Program for All-Inclusive Care of the Elderly (PACE) services (see BACKGROUND) to the state Medicaid program. (By law, DSS must receive legislative approval for any proposed state plan amendment.)

The bill designates DSS as the state agency responsible for administering PACE services and requires the department to establish participation criteria for eligible individuals and PACE providers.

The bill allows the commissioner to implement policies and procedures to carry out these provisions while in the process of adopting them in regulation. He must publish notice of intent to adopt the regulations in the *Connecticut Law Journal* no later than 20 days after implementing the policies and procedures. They are valid until the final regulations are adopted.

Finally, the bill repeals an obsolete provision allowing the DSS commissioner to apply for a federal Medicaid waiver to implement a PACE pilot program. It also deletes obsolete statutory language regarding this pilot program, which was never implemented.

EFFECTIVE DATE: July 1, 2013, except that the provision repealing the PACE pilot program Medicaid waiver takes effect on July 1, 2014.

BACKGROUND

PACE Program

PACE is a joint Medicare and Medicaid program administered by the federal Centers for Medicare and Medicaid Services (CMS). It provides comprehensive preventive, acute, primary, and long-term care services to frail seniors to help them remain in the community and delay or avoid institutional care.

The program is available to certain individuals age 55 and older who are certified by the state as needing nursing home care and able to live safely in the community at the time of enrollment. Generally, participants are enrolled in Medicare, Medicaid, or both (i.e., dually eligible).

PACE is a capitated, risk-based, voluntary program funded primarily through monthly Medicare and Medicaid capitation payments to eligible enrollees. Services are provided by PACE organizations approved by CMS. Participants must agree to receive all of their medical and support services through these organizations.

COMMITTEE ACTION

Aging Committee

Joint Favorable

Yea 12 Nay 0 (03/07/2013)